Comparison of Preliminary and Adjusted Yearend Figures for 1990

Income Statement	Preliminary	Adjusted	Difference
Revenue			
Paying Users	3937	3937	
Active Users	2210	2210	
Average Active Hours/User	5.61	6	
Packet Users	1028	1028	
Packet hour usage	3,554.00	3554	
Leased line usage			
Monthly fees	322,472	319,400	(3,072)
Hourly fees	426,655	426,655	
Packet fees	175,277	175,277	
Leased line fees	7,983	7,983	
Disk storage	45,423	45,423	
Other Revenue (Reg Fees, Manuals, Software)	6,219	6,219	
Discounts	218,848	218,781	(67)
Total Revenue	765,181	762,176	(3,005)
Direct Costs of Operation			
Packet Services	134,820	134,820	
Phone Services	22,595	22,595	
Support Materials	16,477	16,477	
Postage	3,354	3,354	
Total Direct Costs	177,246	177,246	
Percent of Gross Revenue	23.26%	23.26%	
Gross Margin	587,935	584,930	(3,005)
Percent of Gross Revenue	76.74%	76.74%	

Comparison of Preliminary and Adjusted Yearend Figures for 1990

Indirect Costs of Operation	Preliminary	Adjusted	Difference
Personnel			
Director	54,480	54,480	
System Admin	34,272	34,272	
Engineer	19,619	19,619	
Customer Support	44,083	44,083	
Marketing Director	38,150	38,150	
Accounts Manager	36,171	36,171	
Admin. Asst.	20,689	20,689	
Bookkeeper	5,668	5,668	
Payroll Taxes	20,420	20,420	
Benefits	13,467	13,467	
	287,018	287,018	
Percent of Gross Revenue	37.66%	37.66%	
Computer Operations			
Computer Space Rent	3,250	3,250	
Electricity	4,020	4,020	
Hardware	1,639	1,639	
Software (System and re-sale)	1,274	1,274	
Modems	1,555	1,555	
Maintenance & Repair	14,680	14,680	
Contract Programming	7,064	7,064	
	33,481	33,481	
Percent of Gross Revenue	4.39%	4.39%	
Sales/Marketing			
Travel & entertainment	1,298	1,298	
Promotional materials	7,282	7,282	
Advertising	1,915	2,255	340
Network subscriptions	757	757	
Telephone			
Complimentary WELL time	861	861	
	12,113	12,453	340
Percent of Gross Revenue	1.58%	1.63%	
Office			
Office Rent	16,440	16,440	
Utilities	1,868	1,868	
Postage	3,081	3,081	
Computer Hardware	3,327	3,327	
Computer Software	1,196	1,196	
Phones	3,909	3,909	
Office Supplies	6,914	6,914	
Temp Labor	633	633	
Repairs & Maintenance	3,206	3,206	
Communications	94	94	
	40,668	40,668	
Percent of Gross Revenue	5.34%	5.34%	

Comparison of Preliminary and Adjusted Yearend Figures for 1990

	Preliminary	Adjusted	Difference
Customer Support			
Labor	20	20	
Complimentary WELL Time	4,021	4,021	
Training			
	4,041	4,041	
Percent of Gross Revenue	0.53%	0.53%	
General & Administrative			
Insurance	1,734	1,734	
Depreciation	22,750	22,750	
Bad Debts	9,802	24,802	15,000
Outside Professional Services	2,788	2,788	
Licenses, Fees, Taxes, Memberships			
Bank Fees	15,867	15,867	
Miscellaneous	4,583	4,583	
Non-taxable Donations	150	150	
Board-related Expenses	2,948	2,948	
	60,622	75,622	15,000
Percent of Gross Revenue	7.92%	9.92%	
Total Indirect Costs	437,944	453,284	15,340
Percent of Gross Revenue	57.23%	59.47%	
Total Costs	615,190	630,530	15,340
Percent of Gross Revenue	80.40%	82.73%	
Earnings Before Interest & Taxes	149,991	131,646	(18,345)
Percent of Gross Revenue	19.60%	17.27%	
Interest Income (Expense)			
Interest rec'd from cash in bank	474	474	
Sequent loan interest paid	(3,153)	(3,153)	
	(2,679)	(2,679)	
Earnings Before Taxes	147,312	128,967	(18,345)
Corporate taxes	39,774	32,656	(7,118)
Earnings	107,538	96,311	(11,227)
Dividends			
Net Earnings	107,538	96,311	(11,227)
Capital Budget			
Sequent expansion	24,206	24,206	
Modems	2,839	2,839	
Office equipment	6,428	6,428	
Other	(5,877)	(5,877)	
	27,765	27,765	

Comparison of Preliminary and Adjusted Yearend Figures for 1990

	Preliminary	Adjusted	Difference
BALANCE SHEET			
Short Term Assets			
Cash in bank	12,357	12,357	
Accounts receivable	70,782	52,710	(18,072)
Credit card vouchers	68,754	68,754	
Other	11,166	10,826	(340)
	163,059	144,647	
Long Term Assets			
P & E	166,081	166,081	
Accumulated depreciation	(39,979)	(39,979)	
	126,102	126,102	
	289,161	270,749	(18,412)
Short Term Liabilities			
Prepaid usage	9,386	9,386	
Accounts payable	16,377	16,377	
Sequent loan (current period)	7,500	7,500	
NETI loan (current period)	30,000	30,000	
Payroll taxes payable	830	830	
Corporate taxes payable	36,535	29,417	(7,118)
	100,629	93,511	
Long Term Liabilities			
NETI advance	32,500	32,500	
Sequent loan	11,362	11,362	
	43,862	43,862	
Stockholders Equity			
Common Stockholders	27,990	27,990	
Retained earnings	(277)	(277)	
Current Period Earnings	116,958	105,664	(11,294)
	144,671	133,377	
	289,161	270,749	(18,412)